

SUFFOLK COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Steve Levy
Suffolk County Executive

H. Lee Dennison Building; 3rd Fl.
100 Veterans Memorial Highway
P.O. Box 6100
Hauppauge, NY 11788-0099
(631) 853-4802 Fax: (631) 853-8351

ACCEPTED BY THE BOARD 5/19/11

MINUTES IDA REGULAR MEETING APRIL 27, 2011

PRESENT

Jim Morgo, Chairman
David Rosenberg, Vice Chairman
Peter Zarcone, Treasurer
Steve Rossetti, Secretary
Yves Michel, Member

EXCUSED ABSENCE

Alan J. Ehl, Member
Elizabeth Custodio, Member

ALSO PRESENT

Bruce E. Ferguson, Executive Director
Anthony J. Catapano, Deputy Executive Director
Daryl Leonette, Secretary
Regina Halliday, Bookkeeper
William Wexler, Esq., Agency Counsel
William Weir, Esq., Bond Counsel
James T. Madore, Sr. Business Writer/Economy, Newsday
Donald Musgnug, CPA Director, Fuoco Group LLP

The Regular Meeting of the Suffolk County Industrial Development Agency held in the Conference Room of the Agency, 100 Veterans Memorial Highway, H. Lee Dennison Building, 3rd. Floor, Hauppauge, NY was called to order at 12:30 p.m.

Mr. Rosenberg, Chairman of the Audit Committee said the Committee met prior to today's Board Meeting and recommends approval of the 2010 audited financial statements. Mr. Rosenberg said the Committee met with the Agency's Accountants, Don Musgnug of the Fuoco Group, LLC.

Upon a motion by Mr. Zarcone, seconded by Mr. Michel, it was:

RESOLVED, to approve the 2010 audited financial statements of the Agency.

Unanimously carried 5/0.

Amber Court: Request for an inducement resolution for a tax-exempt bond.

Mr. Ferguson presented Exhibit A. Mr. Morgo indicated they are looking to construct a 90,000 sq. ft. senior citizen assisted living facility on 6.73 acres in Nesconset. Mr. Morgo indicated it will consist of 186 residents in 97 apartments consisting of 8 single resident dwellings and 89 double resident dwellings. This will be a rental facility with 150 beds set aside for low income senior citizens. Mr. Morgo indicated that Amber Court is seeking a variance for increased height from the Town of Smithtown. Mr. Ferguson indicated that Amber Court is working with the Town to make some adjustments to the building in order to get approval. Mr. Morgo noted that the land cost seemed high and Mr. Ferguson explained to the Board that the \$28 million in tax-exempt bonds would come out of our State tax-exempt bond allocation. Mr. Ferguson introduced Raphael Weiss and Robert Snyder of Amber Court to the Board. Mr. Weiss indicated Amber Court was founded by his in-laws, Alfred and Judith Schonberger, Holocaust survivors. Their first acquisition was an adult home in the Bronx and they established a stellar reputation with the Department of Social Services. Mr. Weiss indicated today Amber owns four properties and each one works on its own. Mr. Weiss stated that in the Smithtown project there will be a total of 186 beds, 150 of which will be ALP beds for low income and the remaining beds will be at market rate. Mr. Weiss indicated that they are currently working with the Nassau County IDA for an expansion of the facility they own in Westbury. They will be seeking sales tax exemption and real property tax abatements from the Nassau IDA. Mr. Michel asked what is the average number of employees for each facility and Mr. Snyder responded approximately 45 employees. Mr. Rossetti asked if the Westbury property was the former Tivoli facility and Mr. Weiss responded that it was. Mr. Rossetti noted what a good job had been done in Westbury. Mr. Weiss explained that for this project they would be partnering with CPC (Community Preservation Corporation) and Mr. Morgo indicated that he is familiar with CPC and they do outstanding work. Mr. Morgo asked Mr. Weiss to give the Board background on the proceedings with the Town of Smithtown. Mr. Weiss indicated that the parcel is zoned light industrial and that a zone change and a height variance are needed. Mr. Rosenberg asked what is the height of the building. Mr. Weiss responded it is 37 ft. Mr. Rossetti asked why the land cost is so much and Mr. Weiss explained that several parcels had to be acquired and as the process moved on the prices escalated. Mr. Wexler asked if the Town was committed to this project because he indicated that sometimes in Smithtown things drag on and on. Mr. Weiss indicated that he felt the Town wanted this project. Mr. Weiss indicated that because of federal requirements the project will be prevailing wage. Mr. Weiss also indicated that they are also requesting a real property tax abatement for this project. Mr. Morgo thanked Mr. Weiss and Mr. Snyder and

they left the Meeting. Mr. Morgo indicated that the real property tax would have to be discussed at a future Meeting.

After discussion and upon a motion by Mr. Rosenberg, seconded by Mr. Rossetti, it was:

RESOLVED, to approve an inducement resolution for a tax-exempt bond in the approximately amount of \$28,000,000 for Amber Court of Smithtown Realty, LLC facility.

Unanimously carried 5/0.

Minutes

The Minutes of the March 24, 2011 IDA Meeting were accepted.

Canon U.S.A., Inc.: Requesting consent to a sewer connection agreement.

Mr. Ferguson presented Exhibit B. Mr. Ferguson indicated that Canon has requested consent from the Suffolk County Sewer District to connect the Facility into the sewers and Canon needs the Agency as title holder to execute a Connection Agreement. Mr. Ferguson indicated that this is a new procedure required by the County Law Department.

Upon a motion by Mr. Michel, seconded by Mr. Rosenberg, it was:

RESOLVED, to consent to Connection Agreement to the Suffolk County Sewer District for Canon U.S.A., Inc. facility.

Unanimously carried 5/0.

Broadhollow Associates, LLC: Request for an extension of the sales tax authorization.

Mr. Ferguson presented Exhibit C. Mr. Ferguson indicated they are requesting an extension in order to complete the build out and rental of the balance of the tenant space. Mr. Ferguson indicated that the building is complete and they are in final lease negotiations. Mr. Morgo asked how much is not rented. Mr. Ferguson indicated that according to the letter from Dick Roche, Vice President approximately 50,000 sq. ft. remains to be leased.

Upon a motion by Mr. Rosenberg, seconded by Mr. Michel, it was:

RESOLVED, to approve an extension of the sales tax authorization for Broadhollow Associates, LLC through March 31, 2012.

Unanimously carried 5/0.

Mr. Morgo indicated that Board Member Liz Custodio is being honored by Adelante of Suffolk County, Inc. at its Annual Awards Dinner. Liz is President of the Board of Adelante and Mr. Morgo indicated that the Agency took a journal ad congratulating Liz Custodio. The other Board Members also extended their congratulations to Liz.

Mr. Rossetti indicated that he would like to see the Agency change our PILOT Agreements particularly in regard to vacant buildings. He would like to see the Agency being much more aggressive in getting these buildings occupied and that the Agency should adopt a policy of reducing taxes on these buildings. The amount of reduction and the length of the PILOT could be based upon the number of jobs. Mr. Rosenberg indicated that he would be interested in further discussion about this although he has concerns about the impact on the affected taxing jurisdictions particularly local schools. Mr. Morgo suggested forming a Committee to discuss this as well as the Agency's UTEP. Mr. Morgo asked Yves Michel, Steve Rossetti and Peter Zarcone to be on the UTEP Committee and to work with him and staff.

Mr. Ferguson indicated our Chairman, Jim Morgo is being honored with the Long Island Achievement Award by the Public Relations Professionals of Long Island at their Annual Awards Dinner at Chateau Briand on May 10, 2011. The Agency will have a table and any Board Members that are interested please let us know.

Upon a motion by Mr. Zarcone, seconded by Mr. Rossetti, it was:

RESOLVED, to adjourn the Regular Meeting of the Suffolk County Industrial Development Agency.

Unanimously carried 5/0.

The Meeting adjourned at 1:30 p.m.

The next Regular Meeting of the Suffolk County Industrial Development Agency is tentatively scheduled for May 19, 2011.

SCIDA PROJECT ABSTRACT

MEETING DATE: 3/24/11

CONTACT: Raphael Weiss, Member
PHONE: 516-334-3838APPLICANT NAME: Amber Court of Smithtown Realty, LLC
AND ADDRESS 130 Lake Avenue
Nesconset, NY 11767PRINCIPALS: Alfred & Judith Schonberger 16% each; Raphael Weiss & Robert Synder
33% each

PRODUCT/SERVICES: Development and management of assisted living dwellings.

PRESENT FACILITIES: Own _____ Lease _____ Acreage _____ Sq. Ft. _____

NEW LOCATION/TAX MAP #: 130 & 132 Lake Avenue, Nesconset, NY

PROJECT DESCRIPTION: To construct a 90,000 sq. ft. senior citizen assisted living facility on
6.73 acres. Proposed development will be LEED certified with 186 residents in 97 apartments
consisting of 8 single resident dwellings and 89 double resident dwellings.

PROJECT COSTS:

AUTHORIZATION SOUGHT: \$28,000,000 Tax-exempt bond

| | |
|--|------------|
| LAND | 3,300,000 |
| EXISTING BUILDING | |
| PURCHASE & REHAB. OF EXISTING BUILDING | |
| CONSTRUCTION NEW BUILDING | 18,003,600 |
| ADDITION OR EXPANSION | |
| ENGINEERING & ARCHITECTURAL FEES | 721,040 |
| EQUIPMENT | 450,000 |
| LEGAL FEES (BANK, BOND & COMPANY) | 150,000 |
| FINANCE CHARGES | 6,446,500 |
| OTHER FEES/CHARGES | 9,459,677 |
| RESERVE (DEBT SERVICE & OPERATING) | |

TOTAL PROJECT COSTS

\$38,530,817

EMPLOYMENT:

| | <u># OF EMPLOYEES</u> | <u>ANNUAL PAYROLL</u> | <u>AVERAGE SALARY</u> |
|-------------------------------|-----------------------|-----------------------|-----------------------|
| PRESENT (All Facilities) | 245 | \$10,820,000 | \$44,163 |
| PRESENT (Suffolk County Only) | 0 | 0 | 0 |
| PROPOSED 1ST. YEAR | 29 | 1,305,000 | 45,000 |
| 2ND. YEAR | 50 | 2,250,000 | 45,000 |

COMMENTS

Canon - Sewer ConnectionDraft

Date: April 27, 2011

At a meeting of the Suffolk County Industrial Development Agency, Suffolk County, New York (the "Agency"), held at H. Lee Dennison Building, 3rd Floor, 100 Veterans Memorial Highway, Hauppauge, New York 11788 on the 27th day of April, 2011, at which the following members were:

Present: Jim Morgo, Chairman
David I. Rosenberg, Vice Chairman
Peter E. Zarcone, Treasurer
Steven Rossetti, Secretary
Elizabeth Custodio, Member
Alan J. Ehl, Member
Yves R. Michel, Member

Absent:

Also Present: Bruce E. Ferguson, Executive Director and
Chief Executive Officer, and Assistant Secretary
Anthony J. Catapano, Deputy Executive Director and
Chief Financial Officer, and Assistant Secretary
Daryl L. Leonette
Regina Halliday, Assistant
William F. Weir, Esq., Bond Counsel
William Wexler, Esq., Agency Counsel

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to a certain industrial development facility more particularly described below (Canon U.S.A., Inc. 2009 Facility).

The following resolution was duly moved, seconded, discussed and adopted with the following members voting:

Voting Aye

J. Morgo
D. Rosenberg
P. Zarcone
S. Rossetti
E. Custodio
A. Ehl
Y. Michel

Voting Nay

None

RESOLUTION OF THE SUFFOLK COUNTY INDUSTRIAL
DEVELOPMENT AGENCY AUTHORIZING THE
EXECUTION AND DELIVERY OF A CONNECTION
AGREEMENT IN CONNECTION WITH THE AGENCY'S
CANON U.S.A., INC. 2009 FACILITY.

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 675 of the Laws of 1975 of the State of New York, as may be amended from time to time (collectively, the "**Act**"), the Suffolk County Industrial Development Agency (the "**Agency**") was created with the authority and power among other things, to assist with the acquisition of certain industrial development projects as authorized by the Act; and

WHEREAS, the Agency previously assisted in the acquisition, construction and equipping of an industrial development facility to occur in two (2) phases; Phase I includes the acquisition of an approximately 52 acre parcel of land located immediately south and west of the intersection of South Service Road and Walt Whitman Road, Melville, Town of Huntington, Suffolk County, New York (more specifically known as tax account numbers 0400-254.00-01.00-004.000, 0400-254.00-02.00-004.000, 0400-254.00-01.00-009.000 and 0400-254.00-02.00-049.000), and the construction of an approximately 696,000 square foot partial six story office building and two (2) parking garages. The North Parking Garage, which is closest to the south service road of the Long Island Expressway, is three stories tall and holds approximately 780 parking spaces. The South Parking Garage is three stories tall and holds approximately 802 parking spaces (collectively, "**Phase I**"). If needed, a parking garage expansion to the North Garage of approximately 441 spaces would be built as Phase IA ("**Phase IA**"). Phase II will include construction of an addition to the North Garage (directly behind the Phase I North Parking Garage) to accommodate approximately 649 spaces (plus the 441 spaces of Phase IA) and an additional partial six story approximately 204,000 square foot office building located directly behind the North Office Building (collectively, "**Phase II**"; and, together with Phase I and Phase IA, the "**Facility**"), all leased by the Agency to Canon U.S.A., Inc., a New York business corporation (the "**Company**") and used by the Company for its headquarters and to house all administrative management groups of the Company; and

WHEREAS, the Agency leases the Facility to the Company pursuant to a certain Lease Agreement, dated as of September 1, 2009 (the "**Lease Agreement**"); and

WHEREAS, the Company has requested permission from the Suffolk County Sewer District No. 3 – Southwest (the "**District**") to connect the Facility into the sanitary sewers of the District; and

WHEREAS, in connection therewith, the Company has requested that the Agency join with it in executing a Connection Agreement, dated a date to be determined (the "**Connection Agreement**"), by and among the Company, the Agency, the District, the Suffolk County Department of Public Works ("**DPW**"), the Suffolk County Sewer Agency (the "**Sewer Agency**"), the Suffolk County Department of Health Services ("**SCDHS**"), and the County of Suffolk (the "**County**"); and

WHEREAS, the Company has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transaction contemplated by the execution and delivery of the Connection Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Agency (a majority of the members thereof affirmatively concurring) as follows:

Section 1. In consequence of the foregoing, the Agency hereby determines together with the Company, to enter into the Connection Agreement.

Section 2. The form and substance of the Connection Agreement (in substantially the form presented to the Agency and which, prior to the execution and delivery thereof, may be redated) is hereby approved.

Section 3. The Chairman, the Executive Director or the Deputy Executive Director, or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Connection Agreement, in substantially the form thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, the Executive Director or the Deputy Executive Director, or any member of the Agency shall approve, and such other related documents as may be, in the judgment of the Chairman, the Executive Director or the Deputy Executive Director and Agency Counsel, necessary or appropriate to effect the transactions contemplated by this resolution. The execution thereof by the Chairman, the Executive Director or the Deputy Executive Director, or any member of the Agency, shall constitute conclusive evidence of such approval.

Section 4. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency (i) to do all acts and things required or provided for by the provisions of the Connection Agreement, and (ii) to execute and deliver all such additional certificates, instruments and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Connection Agreement binding upon the Agency.

Section 5. This resolution shall take effect immediately.

STATE OF NEW YORK)
 : SS.:
COUNTY OF SUFFOLK)

I, the undersigned Assistant Secretary of the Suffolk County Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the meeting of the Suffolk County Industrial Development Agency (the "Agency"), including the resolutions contained therein, held on the 27th day of April, 2011, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

That the Connection Agreement contained in this transcript of proceedings is in substantially the form presented to the Agency and/or approved by said meeting.

I FURTHER CERTIFY that public notice of the time and place of said meeting was duly given to the public and the news media in accordance with the New York Open Meetings Law, constituting Chapter 511 of the Laws of 1976 of the State of New York, that all members of said Agency had due notice of said meeting and that the meeting was in all respects duly held.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 27th day of April, 2011.

By: _____
Assistant Secretary

BROADHOLLOW ASSOCIATES, LLC

One Rubie Plaza
Richmond Hill, NY 11418
(718) 441-0834
(718) 846-6174 (fax)

April 26, 2011

Via E-Mail and First Class Mail

Mr. Anthony J. Catapano
Suffolk County Industrial Development Agency
H. Lee Dennison Building, 3rd Floor
100 Veterans Memorial Highway
P.O. Box 6100
Hauppauge, NY 11788-0099

Re: *SCIDA with Broadhollow Associates, LLC*

Dear Mr. Catapano:

Our sales tax authorization letter renewed on March 31, 2010, expired on March 31, 2011. The base building is essentially complete and the certificate of occupancy for the base building has been issued.

To date, we have signed leases with two (2) financial services/insurance companies and a restaurant totaling approximately 44,000 square feet. We are currently in final lease negotiations with a bank for 3,900 square feet and we are speaking with several prospective tenants for space on the 3rd and 4th floors.

We are requesting an extension of the sales tax letter for tenanting costs for the balance of the tenant space.

If you have any questions or require additional information, please call the undersigned.

Sincerely,


Richard J. Roche
Vice President

RJR/df